EFFECT OF VOLUNTARY DICLOSURES, BOARD ATTRIBUTES ON FINANCIAL PERFORMANCE OF NON-FINANCIAL FIRMS IN NIGERIA

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ABSTRACT

The declining trend of firms' financial Performance prevents them from being able to satisfy their financial obligations. This study examined the effect of voluntary disclosures, board attributes on financial performance of non-financial firms in Nigeria. Positivism was used as the research paradigm while ex-post facto research design was employed for the purpose of this study. The population of this study consists of all the 74 non-financial services firms listed on the Nigeria Exchange, while 41 was the sample size after filtering. The data for this study was obtained from secondary sources through the published annual financial statements of the non-financial firms listed on the Nigeria Exchange Group. This study was conducted for a period of eleven (11) years spanning from 2013 to 2023. The regression results revealed that quality assurance disclosure, local community disclosure, and female board membership were found to have significant effect on performance of listed non-financial firms in Nigeria. What left to be done is for the regulatory bodies to persuade the inclusion of additional females in the board of directors of non-financial services firms in Nigeria, and the management of the affected firms should make a choice of quality assurance disclosure as their component of corporate social responsibility, as well as consider allocating reasonable funds to improve investment on local community services, environmental projects/programs, and human capital development. The Nigeria's standard-setter should enforce the implementation of corporate social responsibility as a mandatory disclosure requirement for corporate entities in Nigeria as it is now done in South-Africa.

Keywords: Voluntary Disclosures, Social Disclosures, Female Director, Non-Financial Firms, Nigeria.

1. Introduction

Financial performance is the primary goal of all corporate ventures, without profitability, corporate aims and objectives cannot be achieved. Every company is concerned with profitability in order to be successful, that is to say, gauging current and past profitability and projecting future profitability is very important. When the profitability of companies is enhanced, it is then they can give back to the society within which they operate for exposing them to hazards which leads to environmental damages. The giving back to the society can be in the form of product quality/safety, community development, environmental management, and employees' welfare among others. It is in this wise that the triple bottom line theory stressed that companies should not focus on organizational profitability alone but also take

cognizance of economic and social environment as well as the planet (Ayub & Shafqat, 2022; Elkington, 2010).

Firms that fails to effectively participate in corporate social responsibilities (CSR) initiatives were reported to have sustained massive decline in product patronage from customers, reduction in corporate reputation, lack of confidence from the immediate society, series of environmental challenges which ultimately, led to reasonable profitability decline at different intervals: ₦1.643 billion, ₦7.21 billion, and ₦516 million in the year 2022, 2021, and 2020 respectively (Nigerian Exchange Group, 2022). These losses would have a compounding effect on the economy in terms of unemployment, poor living standards, dependence ratio, and Gross Domestic Product (GDP). The growing interest in CSR has led to corporations using it as a public relation (PR) strategy to improve the corporate image (Yoo & Lee, 2018).

In 1979, Carroll's categorization of CVD was first presented in the form of ethical, legal, and charitable duties are all included in Carroll (1979) four-stage categorization system. However, five elements of corporate social responsibility were identified by Inoue and Lee (2011), which include employee relations, product quality, environment, diversity, and community (community relations). The company's host community plays an important role in shaping firm's corporate culture and ultimately determining its long-term success (Nasieku et al. 2014). Nevertheless, studies show that major corporations implement CVD more than small enterprises due to greater capital ratios and more female board membership (Cornett et al. 2014).

Female board members tend to play a more effective role compared to their male counterparts, as supported by Martin & Herrero (2018) and Virtanen (2012). Typically, boards are assumed to have a central role in mitigating agency costs stemming from the principal-agent relationship, with the ultimate goal of maximizing shareholders' wealth (Lisha et al., 2020). Additionally, female board members are often recognized for their strong ethical principles at the board level when it comes to addressing issues related to unethical behavior (Bilimoria & Wheeler, 2000; Pan & Sparks, 2012). They exhibit effective teamwork and embrace a participative leadership style, engaging in in-depth discussions more frequently than their male counterparts (Lisha et al., 2020).

The selection of non-financial services firms as the focal point of this study is driven by its pivotal role within the Nigerian economy. This sector demonstrates the capability to harness available raw materials, employing human capital and other production agents to process and

transform them into marketable finished goods, as underscored by Oyati (2010). These finished products and services meaningfully contribute to the nation's Gross Domestic Product (GDP), simultaneously generating income and employment opportunities for the country's citizens (Oyati, 2010).

Stakeholders have expressed serious concern about the declining level of profitability, which was brought about by the continuous attacks/interruption of normal business activities albeit lingering socio-environmental issues which makes profitability of most Nigerian non-financial services firms to fall below expectations (Onuoha, 2019). The problem which this study attempted to solve is the dwindling nature of performance in non-financial services firms in Nigeria. Profitability of business corporations is the backbone of practically every economy, because it is being used to pay tax, payment of remuneration to employees, payment of dividend to shareholders, growth and development and other revenues expected from non-financial companies are obtained via profit generation by firms. When corporate organizations engage on CSR activities such as improving the quality of products/services, addressing environmental challenges such as pollution prevention/control, supporting the local community by way of donations/charitable initiatives, investment on human capital development through training, employees' incentive schemes, and ensuring a hitch-free business operating environment among others.

Nevertheless, the number of female board membership in positions of leadership on boards of directors remains low across the world. Female board membership currently occupied 12 percent of seats worldwide, with just 4 percent of board positions being held by female board membership in the third world economies like Nigeria (Deloitte, 2021). In light of the aforementioned points, this study examined the profitability of non-financial enterprises in Nigeria in relation to their commitment in corporate social responsibility, with a focus on role of female board membership. Additionally, this study explored how female board membership together with CVD affect the performance of non-financial firms in Nigeria.

Based on the foregoing, the main objective of this study is to examine the effect of corporate voluntary disclosures and board attributes on performance of listed non-financial firms in Nigeria. The specific objectives are to: assess the effect of quality assurance disclosures on profitability of non-financial services firms in Nigeria; to evaluate the effect of local community disclosures on profitability of non-financial services firms in Nigeria; to ascertain the effect of environmental disclosures on profitability of non-financial services firms in

Nigeria; to examine the effect of employee relations disclosures on profitability of non-financial services firms in Nigeria and to ascertain whether female board membership significantly affect the performance non-financial firms in Nigeria.

It is pertinent to note that customers are integral part of the numerous stakeholders to whom the findings could be of huge benefit, as the corporate value is measured not just in terms of sales but, with reference to how it is perceived by the customers, their level of engagement, satisfaction, and loyalty towards the organization and its brands or services. In the same vein, the findings of this study could be of great impetus to the existing body of knowledge as it is from the previous studies especially in the combination of corporate voluntary disclosure attributes (quality assurance, local community, employee relations disclosures and female board membership) simultaneously. This justifies the variables inclusion novelty introduced in the study.

2. Literature Review

Every company's financial objective is to maximize profit to fuel growth and provide a safety net during times of economic uncertainty (Nishanthini & Nimalathasan, 2013). Therefore, the term 'performance and 'financial performance' are often used interchangeably in corporate contexts. It means how successfully an organization can use its principal mode of corporate assets is a subjective metric of profitability in the financial strategy of most corporations, performance is a contentious subject due to its multi-dimensional connotations (Zeitun & Tian, 2007). This study, like other studies used ROA as the metric for financial performance which represent accounting-based measurement.

From the perspective of corporate voluntary disclosures proxied by Local Community Disclosures (LCD), it entails a collaborative approach where community members join forces to collectively address shared challenges and devise solutions. It is not only considered a practical endeavor but also recognized as a professional discipline. CSR promotes company involvement in the community; it suggests that both public and private enterprises have social duties beyond profit. The firm's decision-makers must make choices and behave in ways that acknowledge the corporate-society relation. A firm must thus maintain its commitment to act morally and contribute to economic growth while helping the surrounding community, which may be done through various CSR initiatives chosen for the benefit of its stakeholders (Primavera & Lee, 2019).

Another segment of corporate voluntary disclosure is employee relations which comprises various aspects such as workers' welfare, engagement, representation, participation, involvement, and training. Activities like employee recruitment, promotions, disciplinary actions, and the promotion of workplace well-being should not pose significant challenges for firms. Firms can reap the benefits of employee diversity by embracing individuals from various backgrounds, irrespective of factors such as gender, race, disability, age, or creed. By implementing CSR policies effectively, companies can enhance their reputation and increase their revenue by harnessing and managing their limited and invaluable assets (Branco & Rodrigues, 2006).

On the other spectrum, quality of the product and consumer involvement was believed to impact profitability (Usman & Amran, 2015). Product quality component CSR promotes firms to focus on ethical concerns related to goods, services, and consumers to preserve their market share (Cheng & Rasuid, 2013). Quality of products and services, as well as the happiness of consumers and their education are all part of the product and customer initiative. Customer support for firms was based on behaviors like purchases, brand loyalty, and word-of-mouth (Kabir & Thai, 2016).

Reference to the board attributes proxied by Female board membership (FBM), it refers to presence of women on a company's board of directors. Companies Act Section 149(1) mandates that every listed company must include at least one female director on its board. Chen (2021) observes that board of directors typically convene regularly to develop corporate management and oversight procedures. This requirement for female directors applies to both public and private firms, regardless of their for-profit or not-for-profit status. FBM is an integral component of an organization's internal governance structure. The primary role of female corporate board members is to closely monitor management activities and ensure alignment with the interests of the company's stakeholders.

To provide a theoretical explanation for the study, the stakeholder theory was first advocated by Edward Freeman in 1984, which offers insight on capitalism that underscores the intricate connections between a business and a diverse set of entities, including customers, suppliers, stockholders, communities, and others who hold a vested interest of the organization. Freeman (1984) defined stakeholders as groups with a vested interest in the actions of a corporation. Consequently, stakeholders encompass a broad array of individuals and organizations with which the company has either explicit or implicit contractual relationships involving assets

specific to the company. This results in investor relationships characterized by mutual dependence. Over time, stakeholder theory has evolved from its origins of implicitly contracting on company-specific assets to become a normative theory of the organization (Pfeffer & Salancik, 1978).

2.1 Review of Empirical Studies

Yahaya and Apochi (2021) investigated the impact of female directors on CSR reporting on the performance of publicly traded firms in Nigeria. The study strategy was correlational in nature, and panel data consisting of 329 observations from 47 companies over a seven-year period was acquired. It was discovered that the size of the board, board diligence, and board independence did not have a significant impact on the performance of enterprises.

Jiang et al. (2020) examined how CSR influences female director and corporate financial performance. The study used data from Chinese Stock Exchange listed companies, with the control endogeneity using a two-stage least square regression model. The outcome showed that CSR has a strong favorable effect when mitigating the connection between female director and firm financial success.

Female director was shown to be a moderator in Tauhid et al. (2020)'s study of the effect of corporate characteristics on financial performance of listed conglomerate firms in Nigeria. As at December 2017, the research included six (6) Nigerian listed conglomerate firms. The study samples included all six-conglomerate corporate listed on the Nigeria Exchange Group floor from 2007 to 2017 (eleven years). The findings revealed that female director has significant effect on financial performance of listed conglomerate firms in Nigeria.

Malik et al. (2020) studied corporate governance and banking sector performance with empirical data from Pakistan CSR as a moderator. The sample size selected was 14 Pakistani Stock Exchange listed banks from 2012 to 2017. The finding reveals that corporate governance has a considerable impact on banking sector performance when CSR is present. CSR has a positive and significant impact on the banking sector's success.

Daniel et al. (2021) investigated the relationship between environmental cost disclosure and oil and gas company profitability. The study used an ex-post facto research approach to look at 10 oil and gas corporate from 2010 to 2019. The data were regressed using environmental cost and ROA as proxies for environmental transparency and profitability. The results showed

that environmental costs such as waste management, pollution control, penalties, and litigation had no substantial impact on corporate profitability.

Oshiole et al. (2020) studied the effect of environmental cost disclosures on profitability for ten years (from 2010 to 2019). The secondary data were regressed using panel least square regression approach with the aid of STATA 13 statistical tool. The variables of the study included waste management, employee health and safety, environmental cleanup, and net profit margin. The investigation found that waste management cost, transparency, environmental health and safety, and environmental remediation improved firms' net profit margins.

Nwaimo (2020) studied the impact of environmental costs on company profitability in four African nations (Tanzania, South Africa, Ghana & Nigeria), from 2007 to 2016, 64 samples were chosen at random. A regression study using ordinary least squares regression was performed on the data obtained from the stock exchanges of the four examined nations. In Nigeria and South Africa, EC had no significant influence on ROCE, EPS, or ROE, however, in Ghana; EC had a substantial impact on both ROCE and ROE.

Ejeje et al. (2021) conducted an investigation into the impact of community development initiatives on the revenue generated by publicly traded manufacturing companies in Nigeria. The study utilized turnover data from these companies as the dependent variable, which was then subjected to analysis employing ANOVA and regression analysis techniques. Prior to the analysis, various tests were conducted, including assessments for normality, serial correlation, Heteroskedasticity, and multicollinearity. The findings from this research revealed a significant effect of community development expenditures on the profitability of these firms.

Potluri et al (2020) studied Nigerian consumers' perceptions of CSR and how it affects their shopping habits. The study employed primary data by sending structured questionnaires to 400 people in Lagos and Adamawa, Nigeria. Only 222 of the distributed surveys were completed and returned, resulting in descriptive and inferential statistics. The outcome revealed CSR was well recognized among Nigerian customers, who believe that socially responsible practices influence their purchase decisions. The results showed that Nigerian customers generally like CSR.

Etale et al. (2021) carried out a study on GlaxoSmithKline enterprises consumer goods and profitability in Nigeria. The study used secondary sources to analyze eight years of data from the company's audited financial statements. Incentives, benefits, welfare, and healthcare were all proxies for social cost accounting, whereas profit after tax was using multiple regression

analysis, the study found the following results: Social cost accounting correlated positively with profit after tax (PAT) and contributed to government income at a 5% level of significance.

Ndum and Oraneto (2021) studied the influence of labour costs on the profitability of NGX-listed breweries. The research covered 13 years and five brewers that supplied yearly financial audited reports. Staff cost, net profit margin and ROA data were obtained and regressed using regression analysis. The investigation found that staff costs positively affect net profit margin. Similarly, personnel costs have a small but favorable influence on ROA.

3. Methodology

In this study, an *ex-post facto* research design was adopted. The choice of this design stems from the availability of historical data collected over the study period for the selected firms. The population of this study comprised the 74 non-financial services firms listed on the Nigerian Exchange Group (NGX) from 1st of January 2013 to 31st December, 2023 as shown in appendix A1 under the seven (7) sub-sectors consisting agriculture, conglomerates, consumer goods, industrial goods, natural resources, oil and gas and health care of the non-financial services sector of the NGX. The sample size of 41 listed firms were obtained through purposive filter as the sampling technique due to the nature of operations of the non-financial services firms. This study employed the following sample criteria: (i) the firm was listed on the NGX on or before 1st January, 2013 (ii) the firm must remain listed as at 31st December, 2023 and (iii) the firm must have financial report throughout the study period. Following this procedure, a sample of 41 firms was selected.

To examine the direct effect of CSR on Profitability of listed non-financial services firms in Nigeria, a multiple linear regression model was adopted. This study employed multiple linear regression model because there are four (4) independent variables and one (1) dependent variable. This model was adapted from Molla (2021) where financial performance was expressed as a function of corporate sustainability practices as well as the moderating effect of gender diversity (GENDIV) in the board on CSP and FP of firms in Malaysia as follows.

In this study, Molla (2021) model was modified to incorporate corporate voluntary disclosure. The modified model employed in this study is presented in equation (i):

$$ROA_{it} = \beta_0 + \beta_1 QAD_{it} + \beta_2 LCD_{it} + \beta_3 EVD_{it} + \beta_4 ERD_{it} + \beta_6 FBM_{it} + \beta_6 LEV_{it} + \beta_7 FSIZ_{it} + \varepsilon it \ldots\ldots\ldots\

β_0 = Constant; β = Regression Coefficient; ε = error term; i = number of firms' observation; t = index of time period.

4. Results and Discussion

This section deals with the analysis and interpretation of data based on the descriptive statistics, correlation matrix, and regression analysis. These are discussed as follows:

4.1 Descriptive Statistics

Descriptive statistics such as mean, median standard deviation minimum and maximum for the variables employed in this study are presented in Table 2 and ensued with their discussions.

Table 1: *Descriptive Statistics*

Variable	Obs	Mean	Std. Dev.	Min	Max
ROA	451	0.0419	0.1125	-0.4139	0.4668
LCD	451	0.6119	0.4878	0	1
QAD	451	0.3126	0.4641	0	1
EVD	451	0.0928	0.1990	0	1
ERD	451	0.9645	0.1852	0	1
FBM	451	0.6009	0.4903	0	1

Source: STATA output 2024

Table 1 showed the descriptive statistics with 451 observations of variables of the study which include return on assets (ROA), local community disclosure (LCD), quality assurance disclosure (QAD), employees' relation disclosure (ERD), environmental disclosure (EVD), female board membership (FBM), leverage (LEV) and firm size (FSIZ). Table 2 indicates a mean of return on asset (ROA) of 0.0419 and a standard deviation of 0.1125, with minimum and maximum values of -0.4139 and 0.4668 respectively. This implies that on the average, the ROA among the non-financial listed firms in Nigeria is approximately 4 percent (4%) and it changes from both sides of the mean by 11 percent (11%) approximately. This suggests a wide dispersion of the data from the mean because standard deviation is slightly higher than the mean value.

Table 1 also showed that the measure of average score of LCD is 0.6119, a standard deviation of 0.4878, and fall within a minimum and maximum score of 0 and 1 respectively. The mean value of quality assurance disclosure (QAD) during the period of this study is 0.3126, and it ranges between 0 and 1 with a standard deviation of 0.4641. Environmental disclosure of the sampled firms has a minimum and maximum between 0 and 1 with the mean value of 0.0928 and a standard deviation of 0.1990. Employees relation disclosure (ERD) of listed non-

financial firms in Nigeria has a mean value of 0.9645 with a standard deviation of 0.1852, and minimum and maximum values of 0 and 1 respectively. This implies that the average ERD is within 0.9645 and ranges between 0 and 1. The standard deviation from both sides of the mean is 0.1852. This suggests that that the dispersion of the data from the mean is mild because the standard deviation is lower than the mean value of 0.965. Furthermore, Table 1 also shows the mean score of FBM is 0.6009, while the minimum and the maximum value is 0 and 1 respectively with a standard deviation of 0.4903. This implies that the deviation from the mean is 0.4903.

4.2 Correlation Matrix

The pair-wise correlation is a diagnostic check used to analyze the degree of association between the independent variables and the outcome variable as well as the correlation between the independent variables themselves. The correlation matrix is illustrated in table 4 as follows:

Table 2: *Pairwise Correlation Matrix*

Variable	ROA 1	QAD 2	LCD 3	ERD 4	EPD 5	FBM 6
(1)	1.0000					
(2)	-0.3398*	1.0000				
	0.0000					
(3)	0.2318*	0.1837*	1.0000			
	0.0000	0.0001				
(4)	0.1711*	0.0379*	0.2145*	1.0000		
	0.0000	0.0000	0.0000			
(5)	0.0596	0.0776	0.2409*	0.0895*	1.0000	
	0.2065	0.0997	0.0000	0.0574		
(6)	0.2755*	0.4129*	0.1594*	0.2593*	-0.1318*	1.0000
	0.0000	0.0000	0.0007	0.0000	0.0050	

Source: STATA Output Results, (2024)

From the correlation matrix in table 2, it shows the correlation between the independent variables and the outcome variable as well as the correlation among the independent variables themselves. Reference to the results, it reveals the slope values of the parameters as 0.3398, 0.2318, 0.1711, 0.0596, and 0.2755, representing quality assurance disclosure, local community disclosure, environmental disclosure, employee relation disclosure, female board membership, leverage, and firm size respectively. Accordingly, the Beneish (1997) correlation benchmarks are usually employed to examine the occurrence of high correlation or otherwise. Consistent with the Beneish criteria, three (3) basic steps apply. These are the low correlation which ranges between '0.00 to 0.29', the intermediate correlation which ranges between '0.30 to 0.49' and strong correlation which ranges between '0.50 to 0.99'. Reference to the results in table 2, the variable with the highest coefficient result was Quality Assurance Disclosure (QAD) having a beta value

of 0.3398. This clearly shows a moderate correlation among the variables of the study. Thus, it implies that there is absence of high correlation or redundancy among the parameters used in the study.

4.3 Summary of Regression Results

This section presents the regression result of the explained variable (ROA) and the explanatory variables of the study ($ROA_{it} = \beta_0 + \beta_1 QAD_{it} + \beta_2 LCD_{it} + \beta_3 EVD_{it} + \beta_4 ERD_{it} + \beta_5 FBM_{it} + \varepsilon it$) is presented in table 3 as follows:

Table 3: *Feasible Generalized Least Square [FGLS] Regression - Direct Relationship*

Constructs	Coefficients	T-Values	P-Values
Constants	-0.0144027	-0.41	0.684
QAD	0.0556188	7.69	0.000
LCD	0.0168921	2.64	0.008
EVD	-0.0146124	-0.92	0.359
ERD	0.0189194	1.21	0.225
FBM	0.0163343	2.32	0.020
R-squared			0.1872
Wald Chi^2 (7)			146.18
Prob>Chi^2			0.0000

Source: STATA Output Results, (2024)

Based on the regression results in table 3, it presents the adjusted R^2 value of 0.1872. This signifies that the coefficient of determination has an explanatory power of 18.72 percent (19%) approximately. By implication, the total changes in the financial performance of listed non-financial firms in Nigeria is caused by the corporate social responsibility disclosures proxied by quality assurance disclosure, local community disclosure, environmental disclosure, and employee relation disclosure during the period of the study. It also implies that about 81 percent (81%) of the total changes in the financial performance of listed non-financial firms in Nigeria were caused by other parameters not captured in the model of the study. The regression results also shows an F-Change value of 146.18 signifying that the explanatory variables are properly selected, combined and used. The result also implies that the model is good, adequate and well-fitted for the study. This is confirmed by the prob>F value of 0.0000 which signifies that it is statistically significant at 1 percent (1%) level of significance.

4.3.1 Quality Assurance Disclosure and Financial Performance

The findings presented in Table 3 reveals that quality assurance disclosure (QAD) exhibits a positive yet statistically insignificant influence on the financial perofrmance of listed non-financial services firms in Nigeria ($\beta = 0.0556$, $t = 7.69$, and $p = 0.000$). The p-value associated

with the coefficient in the regression analysis (p-value 0.000 < 0.05) indicates that quality assurance disclosure exerts a statistically significant impact on the financial performance of listed non-financial services firms in Nigeria at 1 percent (1%) significance level. This implies that a slight increase in QAD could lead to a statistically significant change in profitability of the listed firms. In the light of these outcomes, the study finds sufficient evidence to reject null hypothesis 1 ($H0_1$) of the study. These results agree with the conclusions drawn in the previous studies conducted by Suchanek et al. (2014) but diverge with the findings reported by James et al. (2014) and Zhang and Pan (2009).

4.3.2 Local Community Disclosure and Financial Performance

The findings of this study in Table 3 revealed that there was a positive and statistically significant relationship between local community disclosure (LCD) and the financial performance of non-financial services firms in Nigeria ($\beta = 0.0169$, $t = 2.64$, $p = 0.008$). This signifies that local community disclosure is positively and significantly affecting the profitability of listed non-financial services firms in Nigeria at 1 percent (1%) level of significance. By implication, local community disclosure has positive significant effect on the profitability of listed non-financial services firms in Nigeria. Therefore, this result suggests the need to reject the null hypothesis two ($H0_2$) of the study. The result aligned with the findings of Oti and Mbu-Ogar (2018) but contradicted the findings of Ejeje et al. (2021).

4.3.3 Environmental Disclosure and Financial Performance

The results obtained from Table 3 indicate that environmental disclosure among non-financial services firms in Nigeria ($\beta = -0.0146$, $t = -0.92$, and $p = 0.359$) has a negative and statistically insignificant effect on profitability of listed non-financial services firms in Nigeria. The result implies that environmental disclosure is not a good determinant of profitability of listed non-financial services firms in Nigeria. Therefore, it provides the basis for not rejecting the null hypothesis three (H_{03}) of the study. Thus, for hypothesis three, H_{03} is strongly failed to be rejected. Interestingly, this finding is consistent with the research conducted by Okegbe et al. (2019). However, this result is contrary to the study conducted by Gunathilaka and Hunawardana (2018).

4.3.4 Employee Relation Disclosure and Financial Performance

The result in Table 3 showed the effect of ERD on profitability of non-financial services firms in Nigeria ($\beta = 0.0189$, $t = 1.21$ and $p = 0.225$). This result implies that ERD has a positive but statistically insignificant effect on profitability of listed non-financial services firms in Nigeria. Thus, the fourth hypothesis ($H0_4$) which states that employee relation has no significant effect

on profitability of non-financial services firms in Nigeria was failed to be rejected. This finding is consistent with the research conducted by Edom et al. (2015).

5. Conclusion and Recommendations

5.1 Conclusion

The following conclusions were drawn from the findings of this study:

(i) It is concluded that quality assurance disclosure had positive significant effect on performance of listed non-financial firms in Nigeria;

(ii) It is concluded that local community disclosure had a positive and significant effect on performance of listed non-financial firms in Nigeria;

(iii) Indeed, it is concluded that environmental disclosure had a negative and insignificant effect on performance of listed non-financial firms in Nigeria;

(iv) It is also concluded that employee relation disclosure had a positive and statistically insignificant effect on performance of listed non-financial firms in Nigeria;

(v) It is concluded that female board membership had a positive and significant effect on performance of listed non-financial firms in Nigeria.

5.2 Recommendations

The following recommendations were made from the findings of this study:

(i) Due to the economic situation of Nigeria as revealed by this study, the management and stakeholders of non-financial services firms should maintain the status quo of the quality of their products. This is because, committing reasonable funds to further improve, safeguards the quality of products can improve performance of the listed non-financial firms in Nigeria;

(ii) The relevant stakeholders and management of non-financial services firms in Nigeria should continue to improve their spending on local community activities as it directly enhances the performance of the firms. Specifically, more attention should be given to people with disabilities (PWDs), Orphanages, widows, scholarships for out-of-school children as well as making donations and charitable contributions;

(iii) Stakeholders of non-financial services firms in Nigeria should encourage management of the firms towards committing adequate funds on environmental activities with expectation to boost profitability. This is because environmental disclosures such as environmental

compliance and environmental investment policy among others, can increase business reputation and products' patronage which subsequently increases profitability;

(iv) The management, board of directors, and key stakeholders of non-financial services firms in Nigeria should encourage the commitment of firms' resources to employees' relations. Such commitment can bring about higher productivity of employees which can enhance the human capital resources of every firms. Hence, improve productivity which ultimately increases profitability;

(v) The management and stakeholders of listed non-financial firms in Nigeria should maintain status quo on the quality of their products and not to further use their resources in trying at all cost dwell in raising the quality of products through female board membership collaboration. By doing this, there will be steady and continuous patronage on the products which can ultimately enhance profitability.

5.3 Contributions to Knowledge

This study has made several contributions to knowledge by first providing evidence from an emerging economy that female board membership has a significant effect on the profitability of listed non-financial services firms in Nigeria. This study also contributes to knowledge because it is affirmed that ROA can serve as a measure of profitability, as some of the studies used return on equity, return on capital, Tobin's Q as a measure of profitability of listed non-financial services firms in Nigeria. Finally, by introducing female board membership which is an important tool in bringing integrity in corporate voluntary disclosure as a predictor variable of the study.

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